

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2129 - HB 2443

February 14, 2018

SUMMARY OF BILL: Exempts long-term caregivers responsible for the care of a spouse, child, sibling, parent or grandparent from work-related requirements under the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) program when the amount of care provided is equal to or more than the hours of work required under federal or state law. Authorizes the exemption for caregivers who do not reside in the same home as the individual they care for.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Passage of this legislation could jeopardize federal funding received for the Supplemental Nutrition Assistance Program (\$1,600,000,000) and for Temporary Assistance for Needy Families (\$191,000,000). The extent and timing of any federal funding reduction is unknown and dependent upon action of the federal government.

Assumptions:

- Pursuant to 7 CFR 273.7(b)(1)(iv), a parent or other household member responsible for the care of a dependent child under six or an incapacitated person is exempted from the SNAP work requirement.
- The SNAP program is 100 percent federally funded. This funding is dependent on DHS compliance with all federal program requirements.
- Expanding the exemption for the specified caregivers from the SNAP work requirement, will jeopardize a portion or all of approximately \$1,600,000,000 in SNAP funding.
- Pursuant to 45 C.F.R. 261.2(n)(2)(i), the definition of a work-eligible individual under the TANF program excludes a parent providing care for a disabled family member living in the home, provided that there is medical documentation to support the need for the parent to remain in the home to care for the disabled family member.
- The TANF program is funded by a block grant and requires that states meet a work participation rate or be subject to penalties pursuant to 45 C.F.R. 261.50. The maximum penalty for the first year a state misses their work participation rate is five percent of the block grant, and increases by two percent a year if the state fails to achieve their target rates for multiple years in a row.
- The target work participation rate is 50 percent, but varies depending upon a state's caseload. Only federally recognized exemptions apply to this metric.

- Passage of this legislation would increase the likeliness DHS would fail to meet the required work participation rate, thereby risking penalties and jeopardizing a portion of federal TANF funds of approximately \$191,000,000.
- Total amount of federal funding jeopardized is estimated to be \$1,791,000,000 (\$1,600,000,000 SNAP + \$191,000,000 TANF).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh